

Regina Minor Football 2000 Inc.
Financial Statements
December 31, 2019

Management's Responsibility

To the Members of Regina Minor Football 2000 Inc.:

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Members who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 28, 2020



Executive Director

Independent Auditor's Report

To the Members of Regina Minor Football 2000 Inc.:

Qualified Opinion

We have audited the financial statements of Regina Minor Football 2000 Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives part of its revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to the revenues mentioned above, surplus of revenues over expenses, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

Independent Auditor's Report Continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

April 28, 2020

MNP LLP

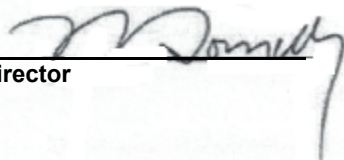
Chartered Professional Accountants

Regina Minor Football 2000 Inc.
Statement of Financial Position

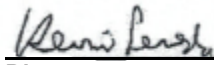
As at December 31, 2019

	2019	2018
Assets		
Current		
Cash	69,825	58,227
Cash held in trust (Note 3)	360,728	264,866
Inventory for resale (Note 4)	26,877	16,896
	457,430	339,989
Capital assets (Note 5)	4,201,872	4,432,504
	4,659,302	4,772,493
Liabilities		
Current		
Accounts payable and accruals	10,897	8,611
Deferred contributions related to capital assets (Note 6)	76,954	72,154
Short term loan payable (Note 7)	1,875,000	2,000,000
	1,962,851	2,080,765
Deferred contributions - events	-	226
Deferred contributions - amounts held in trust (Note 3)	360,728	264,866
Deferred contributions related to capital assets (Note 6)	1,667,788	1,619,542
	3,991,367	3,965,399
Net Assets	667,935	807,094
	4,659,302	4,772,493

Approved on behalf of the Board



 Director



 Director

The accompanying notes are an integral part of these financial statements

Regina Minor Football 2000 Inc.
Statement of Operations
For the year ended December 31, 2019

	2019	2018
Revenue (Schedule 1)		
Contributions	203,518	343,500
Fundraising	175,379	159,253
Memberships	385,318	379,918
Rental income	27,165	-
	791,380	882,671
Other revenue		
Sale of goods	20,508	30,095
Cost of goods sold	(8,381)	(23,622)
	12,127	6,473
Total revenue	803,507	889,144
Expenses		
Administrative	140,613	146,854
Amortization	244,053	262,206
Bank charges and interest	1,823	4,647
Coaches development	9,852	13,962
HQ Facility Operations	41,767	63,204
Cost of 50/50 sales	23,660	10,314
Donations and promotions	52,375	36,456
Equipment room	35,043	38,881
Fields	21,768	16,682
Football Saskatchewan registration	47,088	33,879
Fundraising activities	85,752	57,785
Game officials	41,866	40,389
Insurance	13,586	16,292
Interest on long-term debt	94,173	127,353
Professional fees	14,479	8,878
Repairs and maintenance	1,308	-
Spring league	49,590	54,366
Telephone	6,637	6,084
Travel	8,794	12,968
U16 program	8,439	71,060
Total expenses	942,666	1,022,260
Deficiency of revenue over expenses	(139,159)	(133,116)

The accompanying notes are an integral part of these financial statements

Regina Minor Football 2000 Inc.
Statement of Changes in Net Assets
For the year ended December 31, 2019

	<i>2019</i>	<i>2018</i>
Net assets, beginning of year	807,094	940,210
Deficiency of revenue over expenses	(139,159)	(133,116)
Net assets, end of year	667,935	807,094

The accompanying notes are an integral part of these financial statements

Regina Minor Football 2000 Inc.

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	(139,159)	(133,116)
Amortization	244,053	262,206
Amortization of deferred contributions related to capital assets	(66,954)	(62,154)
Changes in working capital accounts		
Accounts receivable	-	4,735
Inventory	(9,981)	5,632
Accounts payable and accruals	2,287	(14,501)
Deferred revenue	(226)	-
Deferred contributions - amounts held in trust	95,861	102,995
	125,881	165,797
Financing		
Advances of short term debt	-	2,000,000
Repayments short term debt	(125,000)	(2,011,233)
Deferred contributions related to capital assets	120,000	198,050
	(5,000)	186,817
Investing		
Purchase of capital assets	(13,421)	(1,128,476)
Increase (decrease) in cash resources	107,460	(775,862)
Cash resources, beginning of year	323,093	1,098,955
Cash resources, end of year	430,553	323,093
Cash resources are composed of:		
Cash	69,825	58,227
Cash held in trust	360,728	264,866
	430,553	323,093

The accompanying notes are an integral part of these financial statements

Regina Minor Football 2000 Inc. Notes to the Financial Statements

For the year ended December 31, 2019

1. Incorporation and nature of the organization

Regina Minor Football 2000 Inc. (the "Organization") was incorporated on November 8, 2000 under The Non-Profit Corporation Act of Saskatchewan. The objectives of the organization are to:

- a) promote amateur football in the City of Regina and surrounding area, and the development of the fundamental skills of the sport of football;
- b) build character and promote sportsmanship among all individuals associated with the sport of football; and,
- c) operate the Organization in a business-like manner.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	25 years
Football equipment	5 years
Office furniture and equipment	5 years
Field improvements	5 years

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and fundraising revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue over the related league season.

Sale of goods is recognized as revenue when shipment has occurred and amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments, including cash, restricted cash, accounts receivable, accounts payable and accruals and long term debt are initially recorded at their fair value. All financial instruments are subsequently measured at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

Regina Minor Football 2000 Inc.
Notes to the Financial Statements
For the year ended December 31, 2019

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Income taxes

The Organization is incorporated under The Non-Profit Corporations Act of Saskatchewan and as such is exempt from income taxes.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

3. National Sport Trust Fund and the Sport Legacy Fund

Contributions received during the year that are directed by the donors for future capital purchases are paid directly to National Sport Trust Fund and Sport Legacy Fund, where they are held in trust. The funds are held in trust until the eligible expenditures are incurred, at which point, the funds are deposited into the Organizations account, and the amount recorded into income as the related expenses are incurred. For capital contributions, this revenue is recognized into income on the same basis as the related assets are amortized.

The balances available to the Organization in the National Sport Trust Fund and the Sport Legacy Fund are:

	2019	2018
National Sport Trust Fund – Individual Donations Fund	100,200	21,230
National Sport Trust Fund – Capital	135,683	124,833
Sport Legacy Fund – Artificial Turf Capital Fund	108,738	103,478
Sport Legacy Fund – Individual Donations Fund	16,107	15,325
	360,728	264,866

4. Inventory for resale

	2019	2018
Equipment inventory for sale	26,877	16,896

The cost of inventories recognized as an expense and included in cost of goods sold amounted to \$8,381 (2018 - \$23,622).

Regina Minor Football 2000 Inc.
Notes to the Financial Statements
For the year ended December 31, 2019

5. Capital assets

	<i>Accumulated</i>	<i>2019</i>	<i>2018</i>
	<i>Cost</i>	<i>Net book</i>	<i>Net book</i>
	<i>amortization</i>	<i>value</i>	<i>value</i>
Buildings	4,260,623	340,850	3,919,773
Football equipment	1,133,738	1,088,718	45,020
Scoreboard	226,342	-	226,342
Office furniture and equipment	13,421	2,684	10,737
Field improvements	400,000	400,000	-
	6,034,124	1,832,252	4,201,872
			4,432,504

Scoreboard - No amortization has been recorded during the current year because it is currently under construction. This asset is expected to be completed and in use in fiscal 2020.

6. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<i>2019</i>	<i>2018</i>
Balance, beginning of year	1,691,696	1,555,800
Amount received during the year	120,000	198,050
Less: Amounts recognized as revenue during the year	(66,954)	(62,154)
	1,744,742	1,691,696
Less: current portion	76,954	72,154
Balance, end of year	1,667,788	1,619,542

7. Short term loan payable

	<i>2019</i>	<i>2018</i>
Short term loan, interest only payments, bearing interest at prime + 1%, due on demand. Matures July 27, 2020, general security agreement pledged as collateral.	1,875,000	2,000,000

8. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

9. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result of the COVID-19 pandemic, the Organization cancelled all 2020 spring season events, which will result in an estimated decrease in gross revenues of approximately \$100,000, and an estimated decrease in related expenditures of \$60,000. At this time, it is unknown the full extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Regina Minor Football 2000 Inc.
Schedule 1 – Revenue by category
For the year ended December 31, 2019

	2019	2018
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Contributions		
Affiliate fees	1,300	700
Deferred capital contributions recognized	66,954	62,154
Donations	91,220	192,644
Football Saskatchewan membership	32,700	31,225
Saskatchewan Lotteries grant	7,569	25,364
Miscellaneous	3,775	31,413
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	203,518	343,500
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Fundraising		
Future development	25,614	54,834
50/50 sales	54,212	39,069
Fundraising activities - net	90,786	61,350
Bowl Game advertising	1,767	1,000
Canteen income - net	3,000	3,000
	<hr/>	<hr/>
	175,379	159,253
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Membership		
Basic fees	320,404	253,628
Spring league fees	42,344	59,735
U 16 program	22,570	66,555
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	385,318	379,918
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Rental income		
Rental income	27,165	-
	<hr/>	<hr/>
	791,380	882,671
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